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REPORT TO  
THE CONGRESS OF THE UNITED STATES

EXAMINATION OF  
FINANCIAL STATEMENTS  
FOR THE  
SOUTHWESTERN POWER SYSTEM AND RELATED ACTIVITIES  
FISCAL YEAR 1964

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SOUTHWESTERN POWER ADMINISTRATION  
DEPARTMENT OF THE INTERIOR  
AND  
CORPS OF ENGINEERS (CIVIL FUNCTIONS)  
DEPARTMENT OF THE ARMY



BY  
THE COMPTROLLER GENERAL  
OF THE UNITED STATES

OCTOBER 1965

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**BY  
THE COMPTROLLER GENERAL  
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**OCTOBER 1965**



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-125031

October 20, 1965

To the President of the Senate and the  
Speaker of the House of Representatives

Herewith is our report on the examination of the financial statements for the Southwestern Power System and Related Activities for fiscal year 1964. These statements pertain to the power-generating and related activities of the Corps of Engineers (Civil Functions), Department of the Army, in the southwestern area of the United States and the power-marketing activities of the Southwestern Power Administration, Department of the Interior. The "Related Activities" consist of nonpower programs, primarily flood control, at Corps multiple-purpose projects that have hydroelectric facilities. We are issuing this report to advise the Congress of our opinion of these financial statements and of the actions taken on the recommendations in our prior reports.

The financial statements were prepared by the Southwestern Power Administration, Department of the Interior, and consist of consolidated information from the accounts and records of the Administration and the Corps of Engineers (Civil Functions), Department of the Army. A statement of the costs of nonpower operations is no longer included in the financial statements; however, the cumulative net costs of nonpower operations through fiscal year 1964 are disclosed in the statement of assets and liabilities. Also, the source and application of funds statement, which was prepared on a cumulative basis for fiscal year 1964, will be prepared on an annual basis for fiscal year 1965. A schedule of the sources and disposition of electric energy for fiscal years 1963 and 1964 and a map of the transmission system are included as appendixes I and II, respectively.

The examination of accounts and financial transactions was conducted at Corps district offices in Little Rock, Arkansas; Tulsa, Oklahoma; Fort Worth, Texas; and Vicksburg, Mississippi, and at the headquarters office of the Southwestern Power Administration in Tulsa, Oklahoma. Our examination was made in accordance with generally accepted auditing standards and included such tests of the accounting

records of the two agencies and such other auditing procedures as we considered necessary, except that we did not confirm accounts receivable as of June 30, 1964, and we did not observe the taking of the physical inventory. We satisfied ourselves, however, as to the fairness of the accounts receivable and of the physical inventory at June 30, 1964, by other auditing procedures. Our audit was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

In our prior reports we pointed out that a proper allocation of power revenues between the Corps and the Administration was needed to appropriately reduce the amount recorded as interest on the Federal investment in the power program. Interest on the Federal investment previously had been significantly overstated because, in making the interest computations, neither the Corps nor the Administration had considered power revenues as a reduction of the Federal investment. We proposed in our prior reports that the Administration and the Corps should amortize the costs of land and land rights (except land acquired in fee simple), relocations, and clearing, over the economic life of the project. The fiscal year 1964 financial statements show interest on the Federal investment reduced by power revenues allocated to the Administration and the Corps and give effect to amortization of the costs of land and land rights (except land acquired in fee simple), relocations, and clearing.

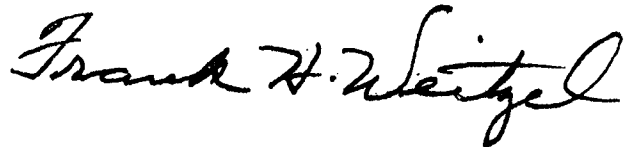
Corps district offices in the southwestern area in fiscal year 1964 continued to use inconsistent bases in establishing service lives of plant-in-service assets. This deficiency was pointed out in our prior report to the Congress on the audit of the Southwestern Power System and Related Activities (B-125031, May 22, 1963). The Department of the Army informed us in July 1965 that corrective action had been taken on establishing service lives for the plant-in-service assets and that as of June 30, 1965, depreciation for all projects had been entered in the accounts on the same basis. As disclosed in note 4 to the financial statements, a joint study is presently being made by the Department of the Interior and the Corps of Engineers to determine the propriety of depreciation methods and rates currently in use. The nature and extent

of changes in depreciation methods or rates which may result from this study, the resultant effects on interest on the unrepaid investment in power facilities, and the effect on the financial statements, if any, are not now determinable.

In our opinion, subject to the comments in the preceding paragraph, the accompanying financial statements (schedules 1 through 4) present fairly the financial position of the Southwestern Power System and Related Activities at June 30, 1964, and the results of its power operations for the year then ended, and the cumulative sources and application of its funds to June 30, 1964, in conformity with principles and standards of accounting prescribed by the Comptroller General of the United States applied on a basis consistent with that followed in prior financial statements--except for the changes, in which we concur, in recording amortization and interest costs as described above.

The principal officials of the Department of the Army and the Department of the Interior responsible for the activities of the Southwestern Power System are listed in appendix III.

Copies of this report are being sent to the President of the United States, the Secretary of the Army, and the Secretary of the Interior.

A handwritten signature in dark ink, reading "Frank H. Weitzel". The signature is written in a cursive style with a large, stylized "F" and "W".

Acting Comptroller General  
of the United States

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**FINANCIAL STATEMENTS**

## SOUTHWESTERN POWER ADMINISTRATION AND CORPS OF ENGINEERS (CIVIL FUNCTIONS)

## SOUTHWESTERN POWER SYSTEM AND RELATED ACTIVITIES (note 1)

## STATEMENT OF RESULTS OF POWER OPERATIONS

FOR FISCAL YEAR 1964

AND CUMULATIVE TO JUNE 30, 1964

	Combined	Southwestern Power Administration	Corps of Engineers
OPERATING REVENUES:			
Sales of electric energy (note 9)	\$18,283,382	\$ 14,059,977	\$ 4,223,405
Other revenues	<u>39,140</u>	<u>38,240</u>	<u>900</u>
Total	<u>18,322,522</u>	<u>14,098,217</u>	<u>4,224,305</u>
OPERATING EXPENSES:			
Purchased power	6,835,291	6,835,291	-
Generation expenses:			
Specific power facilities	1,301,319	-	1,301,319
Joint facilities	536,244	-	536,244
Transmission expenses	5,956,548	5,956,548	-
Supervision and administration (note 8)	1,119,085	886,758	232,327
Provision for depreciation and amortization (note 4)	4,275,157	906,578	3,368,579
Other expenses	<u>87</u>	<u>87</u>	<u>-</u>
Total	<u>20,023,731</u>	<u>14,585,262</u>	<u>5,438,469</u>
Net operating loss	1,701,209	487,045	1,214,164
INTEREST ON THE FEDERAL INVESTMENT (note 3)	7,463,555	965,012	6,498,543
MISCELLANEOUS CREDITS, NET	<u>-212,857</u>	<u>-845</u>	<u>-212,012</u>
NET LOSS FOR THE FISCAL YEAR	<u>\$ 8,951,907</u>	<u>\$ 1,451,212</u>	<u>\$ 7,500,695</u>
NET LOSS OR PROFIT (-) FROM POWER OPERATIONS TO JUNE 30, 1963	\$65,585,245	\$-34,944,060	\$100,529,305
ADJUSTMENTS:			
Power revenues to June 30, 1963, allocated to the Corps of Engineers	-	40,147,011	-40,147,011
Adjustment of interest on the Federal investment arising from the allocation of power revenues	-397,723	7,716,742	-8,114,465
Accumulated amortization of land and land rights not previously recorded, and various minor ad- justments	<u>924,543</u>	<u>386,976</u>	<u>537,567</u>
Adjusted net loss from power operations to June 30, 1963	<u>66,112,065</u>	<u>13,306,669</u>	<u>52,805,396</u>
CUMULATIVE NET LOSS FROM POWER OPERATIONS TO JUNE 30, 1964 (schedule 1) (note 4)	<u>\$75,063,972</u>	<u>\$ 14,757,881</u>	<u>\$ 60,306,091</u>

The notes on pages 6 to 13 are an integral part of this statement.

The opinion of the General Accounting Office on this statement is given in the accompanying letter.



## SCHEDULE 3

## SOUTHWESTERN POWER ADMINISTRATION AND CORPS OF ENGINEERS (CIVIL FUNCTIONS)

## SOUTHWESTERN POWER SYSTEM AND RELATED ACTIVITIES (note 1)

## STATEMENT OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

JUNE 30, 1964

	<u>Combined</u>	<u>Southwestern Power Administration</u>	<u>Corps of Engineers</u>
CONSTRUCTION WORK IN PROGRESS:			
Projects under construction	\$320,770,603	\$ 3,605,832	\$317,164,771
Projects in operation	1,905,505	-	1,905,505
RETIREMENT WORK IN PROGRESS:			
Projects under construction	3,886	3,886	-
Projects in operation	11,406	-	11,406
UNDISTRIBUTED INTEREST DURING CONSTRUCTION:			
Projects under construction	19,026,265	-	19,026,265
Projects in operation	-1,664,786	-	-1,664,786
PLANT IN SERVICE:			
Projects under construction	<u>62,523,716</u>	<u>-</u>	<u>62,523,716</u>
Total under construction	402,576,595	3,609,718	398,966,877
PLANT IN SERVICE:			
Projects in operation:			
Power	278,413,989	30,928,971	247,485,018
Non-power	<u>218,195,006</u>	<u>-</u>	<u>218,195,006</u>
Total fixed assets	<u>899,185,590</u>	<u>34,538,689</u>	<u>864,646,901</u>
ACCUMULATED DEPRECIATION AND AMORTIZATION:			
Power	39,199,244	8,723,102	30,476,142
Non-power	<u>25,553,804</u>	<u>-</u>	<u>25,553,804</u>
Fixed assets, net	<u>\$834,432,542</u>	<u>\$25,815,587</u>	<u>\$808,616,955</u>

The notes on pages 6 to 13 are an integral part of this statement.

The opinion of the General Accounting Office on this statement is given in the accompanying letter.

## SOUTHWESTERN POWER ADMINISTRATION AND CORPS OF ENGINEERS (CIVIL FUNCTIONS)

## SOUTHWESTERN POWER SYSTEM AND RELATED ACTIVITIES (note 1)

## SOURCE AND APPLICATION OF FUNDS

INCEPTION TO JUNE 30, 1964

	<u>Combined</u>	<u>Southwestern Power Administration</u>	<u>Corps of Engineers</u>
FUNDS PROVIDED BY:			
Congressional appropriations, net (note 5):			
From general fund of the U.S. Treasury	\$ 911,426,784	\$ 57,900,710	\$853,526,074
From receipts from the sale of power	36,561,107	36,561,107	-
Gross operating revenue and other income	154,152,927	107,743,084	46,409,843
Miscellaneous receipts derived principally from leasing of res- ervoir lands (note 6)	7,280,016	-	7,280,016
Transfers of cost or property - Government agencies, net	5,554,030	1,193,781	4,360,249
Contributions in aid of construc- tion	3,525,401	87,202	3,438,199
Sale of land	<u>264,497</u>	<u>-</u>	<u>264,497</u>
Total funds provided	<u>\$1,118,764,762</u>	<u>\$203,485,884</u>	<u>\$915,278,878</u>
FUNDS APPLIED TO:			
Plant acquisitions, excluding capitalized interest of \$48,925,145	\$ 850,260,445	\$ 34,538,689	\$815,721,756
Gross operating expenses, exclud- ing interest of \$132,152,773 charged to operations and de- preciation/amortization of \$64,753,048	143,447,201	103,899,647	39,547,554
Funds returned to U.S. Treasury	104,707,347	53,056,915	51,650,432
Payments to the States (note 6)	4,295,778	-	4,295,778
Net current assets	<u>16,053,991</u>	<u>11,990,633</u>	<u>4,063,358</u>
Total funds applied	<u>\$1,118,764,762</u>	<u>\$203,485,884</u>	<u>\$915,278,878</u>

The notes on pages 6 to 13 are an integral part of this statement.

The opinion of the General Accounting Office on this statement is given in the accompanying letter.

## EXPLANATORY NOTES AND COMMENTS

### ON THE FINANCIAL STATEMENTS

#### 1. Basis for preparation

The financial statements include transactions recorded by the Corps of Engineers (Civil Functions) for the construction and operation of only those multiple-purpose projects with hydroelectric facilities located in the southwestern United States and all transactions recorded by Southwestern Power Administration, the power-marketing agent. The accounts for power operations of the Corps of Engineers (Civil Functions) and the Southwestern Power Administration are maintained, to the extent practicable, in accordance with the uniform system of accounts prescribed for public utilities by the Federal Power Commission under the Federal Power Act (16 USC 825-b).

Multiple-purpose projects included in the financial statements and their status at June 30, 1964, are as follows:

<u>Project</u>	<u>Status</u>
Fort Gibson	In operation
Tenkiller Ferry	do.
Denison	do.
Bull Shoals	do.
Norfork	do.
Table Rock	do.
Greers Ferry	do.
Blakely Mountain	do.
Narrows	do.
Whitney <sup>1</sup>	do.
Eufaula <sup>1</sup>	Under construction
Broken Bow	do.
Robert S. Kerr	do.
Keystone	do.
Sam Rayburn	do.
Dardanelle	do.
Beaver <sup>1</sup>	do.
DeGray	do.

<sup>1</sup>These projects are operational for Flood Control. The related costs are classified as "under construction."

Construction costs are segregated between power and non-power upon completion of projects. All other assets of the Corps of Engineers are used for joint purposes and are allocated to power and non-power by the Corps of Engineers.

## 2. Fixed Assets

Fixed assets are stated at cost to the Corps and SWPA or at appraised value for property transferred. Fixed assets of the Corps include cost assigned directly to a single purpose of a multiple-purpose project and joint costs which serve more than one purpose--joint costs are allocated to the various purposes based on cost allocation studies.

The Corps includes interest during construction as a part of its fixed asset cost, whereas SWPA interest is charged to operations annually because of the short construction period of its projects.

## 3. Interest on Federal Investment

Amounts recorded by the Corps of Engineers as interest on the Federal investment at June 30, 1964, are classified as follows:

Interest during construction:	
Capitalized	\$ 31,563,666
Undistributed	17,361,479
Interest charged to operations:	
Power program	55,881,620
Non-power programs	<u>66,392,936</u>
Total	<u>\$171,199,701</u>

The computations by the Corps of Engineers of interest during construction are based on 2.5 percent of accrued costs charged to construction accounts.

Interest charged to operations by the Corps is computed at 2.5 percent of the unrepaid Federal investment in the power program of the projects and the net fixed assets for the non-power programs. Power revenues received by SWPA and allocated to the Corps have been considered by the Corps in determining the unrepaid balance of the Federal investment. Allocated revenues for integrated

projects were received by the Corps subsequent to the closing of their books on June 30, 1964. The revenues are entered in the Corps accounts during fiscal year 1965; however, these financial reports reflect total revenues allocated through fiscal year 1964. Interest has been adjusted on the books of the Corps of Engineers accordingly.

Southwestern Power Administration computes interest on the new investment made during each fiscal year at the interest rate certified by the Treasury under Senate Document No. 97 formula for the fiscal year during which the appropriations for that investment were requested. Southwestern Power Administration has, therefore, used 2.5 percent through fiscal year 1963, and 2.875 percent on new investment added during fiscal year 1964. Power revenues allocated to the Corps and the appropriate interest adjustment are reflected in Southwestern Power Administration's accounts for fiscal year 1964.

#### 4. Accumulated Depreciation and Amortization

Depreciation of projects in operation by both the Corps of Engineers and SWPA has been computed by the straight-line method, with service lives based on engineering studies, except that no item has been assigned a service life in excess of 100 years. Cost of land, land rights, relocations, and clearing, with the exception of land owned in fee simple, are amortized and are included in the provision for depreciation and amortization costs.

The validity of the cumulative net loss of 75 million dollars through fiscal year 1964 as reflected in Schedule 2, income statement, is directly related to depreciation rates used by the Corps and SWPA. A study of these rates is presently being made at the Department level between the Department of the Interior and the Corps of Engineers to determine the propriety of methods and rates currently in use. The results of this study may cause a substantial reduction in accumulated depreciation, thereby reducing the reported net loss figure.

#### 5. Congressional Appropriations, Net

The cumulative allotments (net) to the Corps of Engineers of Congressional appropriations for construction and operation and maintenance of multiple-purpose projects in the southwest, and the net appropriations to the Southwestern Power Administration for the

marketing of the excess energy from these projects to June 30, 1964, have been as follows:

	<u>Total</u>	<u>Construction</u>	<u>Operation and Maintenance</u>
Corps of Engineers	\$853,526,074	\$816,551,847	\$36,974,227
Southwestern Power Administration	<u>57,900,710</u>	<u>39,706,369</u>	<u>18,194,341</u>
Combined	<u>\$911,426,784</u>	<u>\$856,258,216</u>	<u>\$55,168,568</u>

In addition to the above amounts appropriated to Southwestern Power Administration, a continuing fund in the United States Treasury for Southwestern Power Administration was authorized by the Interior Department Appropriation Act, 1950 (16 USC 825s-1), to be maintained from receipts from the sale of electric power and energy. To June 30, 1964, receipts from sale of electric power and energy transferred to the continuing fund amounted to \$36,561,107. This fund was established to defray emergency expenses necessary to insure continuity of electric service and for the continuous operations of the facilities and for the purchase of power and energy and rentals of transmission facilities. The Interior Department Appropriation Act, 1952 (16 USC 825s-1), provides that expenditures from the fund for the purchase of power and energy and rental of transmission facilities are to be made only in such amounts as may be approved annually in appropriation acts.

#### 6. Funds returned to the United States Treasury

Funds returned to the United States Treasury by the Corps of Engineers totaled \$51,650,432 at June 30, 1964, of which \$44,370,416 in power revenues have been allocated to the Corps of Engineers by the Southwestern Power Administration and returned to the United States Treasury. The remaining \$7,280,016 was derived principally from the leasing of reservoir lands.

Amounts representing 75 percent of receipts derived from the leasing of reservoir lands are to be paid to the States under the provisions of the Flood Control Act of 1941, as amended (33 USC 701c-3). At June 30, 1964, \$4,295,778 has been paid to the States.

Southwestern Power Administration receipts from the sale of power, net of charges by customers of SWPA for energy purchased and

transmission facilities rented from them, are deposited into the United States Treasury. These deposits are required by Section 5 of the Flood Control Act of 1944 (16 USC 825s) and at June 30, 1964, they consisted of:

Funds covered into the United States Treasury as miscellaneous receipts	\$60,866,224
Receipts transferred to the continuing fund	<u>36,561,107</u>

97,427,331

Funds returned for the account of the Corps of Engineers	<u>-44,370,416</u>
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Funds returned to the U.S. Treasury, Southwestern Power Administration	<u>\$53,056,915</u>
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At June 30, 1964, Southwestern Power Administration had \$4,868,370 in special and trust funds on deposit for transfer to the continuing fund or to miscellaneous receipts during fiscal year 1965.

#### 7. Employees' Accrued Leave

The Corps of Engineers and the SWPA include in property costs and operating expenses provision for accrued annual leave of employees. For the Corps of Engineers, payments for accrued leave are made to a revolving fund and the liability to employees is shown in the records of that fund.

#### 8. Allocation of Joint Expenses

Expenses of the Corps of Engineers for operating and maintaining joint facilities and for supervision and administrative expenses have been allocated to power and non-power purposes based on the separable costs--remaining benefits method except at the Denison and Norfork projects, where the allocations to purposes were made on the basis of the incremental cost method.

#### 9. Allocation of Revenue from Power Operations

An allocation of revenues from power operations to the Corps' generating projects has been made and the financial reports herein

reflect the results of such allocation. The allocations were generally arrived at as follows:

From the total gross power revenues available from the integrated system for each year, the following expenses were subtracted in this order:

- (a) SWPA's transmission operation and maintenance, administration and overhead, and other contractual expenses, and the Corps of Engineers' power production operation and maintenance;
- (b) Actual SWPA's transmission replacements and the Corps of Engineers' power production replacements;
- (c) Interest on the unamortized investment in service of the combined total allocated portion of SWPA's transmission and the Corps of Engineers' power investments.

The remaining revenues, or deficiency if sufficient to cover all aforementioned interest and operating expenses, were applied to SWPA's transmission and the Corps of Engineers' allocated power investment. This revenue, or deficiency, was prorated between SWPA's transmission investment and the Corps' investment on a percent, or ratio, of the allocated investment to power at the beginning of each year in question. The Corps then distributed its portion of this remaining revenue among the various projects on the following method and in the following order:

- (a) Initial distribution of power revenues for each year was made in direct proportion (or equal) to the amounts for annual operation and maintenance expenses for each project;
- (b) Any remaining power revenues were distributed in accordance with a prorated investment equal to 1/50 of the investment for each project each year. The amounts so determined were credited to repayment of interest on the allocated power investment for each project;
- (c) Remaining power revenues, if any, for each project would be credited for repayment of the allocated power investment.



Based on discussion with the Corps subsequent to the allocation of revenues, Southwestern Power Administration has determined that the Corps of Engineers is due additional revenue allocation of about \$950,000. Other adjustments in the allocation of revenue may be made prior to final agreement between the Southwestern Power Administration and the Corps of Engineers.

#### 10. Status of System Repayment

The status of SWPA system repayment is reflected in SWPA Average Rate and Repayment Studies. The February 1964 study is currently effective for the integrated system and has been revised to include actual sales, revenues, and costs for fiscal year 1964 to compare with the estimates previously included. The studies currently effective for the Narrows and Whitney projects, both isolated from the integrated system, are dated April 1960 and April 1962, respectively. These have also been revised to include actual fiscal year 1964 operations.

Federal Power Commission confirmation and approvals of SWPA rates are generally for a five-year period. The subject repayment studies are completely re-examined for future estimates at these intervals and at lesser intervals when changing conditions occur of such magnitude to materially affect the results of the studies.

#### 11. Contingencies

At June 30, 1964, the Southwestern Power Administration was contingently liable for approximately \$118,000 to Western Farmers Electric Cooperative, Inc., Anadarko, Oklahoma. This arises from a dispute over contract terms relating to the method used in arriving at payments to be made by Southwestern Power Administration for the use of transmission facilities of Western Farmers Electric Cooperative. The claim of Western Farmers has been referred to appropriate Governmental legal authority for determination.

There is a contingent receivable due Southwestern Power Administration in an undeterminable amount due to a pending lawsuit between N. W. Electric Power Cooperative, Inc., and Westinghouse Electric Corporation to recover costs of repairing defective equipment. SWPA has agreed to advance all necessary costs of continuing the preparation and trial of the suit by reimbursing N. W. for such costs. Any recovery or settlement in excess of the \$20,000

previously offered in settlement by Westinghouse (which sum will go to SWPA) minus the costs reimbursed by SWPA, will be divided on the basis of 33-1/3% to N. W. and its attorneys and 66-2/3% to SWPA.

## 12. Interest Adjustment

As shown on the Statement of Results of Power Operations (Schedule 2), the adjustment of interest on the Federal investment, arising from the allocation of power revenues to June 30, 1963, amounted to \$7,716,742 for SWPA and \$8,114,465 for the Corps of Engineers.

SWPA adjusted their investment by years, from 1947 to date, to give effect to each year's increased investment brought about by the revenue allocation to the Corps of Engineers. Interest on this new investment each year was then recomputed. Because interest is an item making up each year's investment, SWPA thus compounded interest.

The Corps' interest adjustment was effected by compounding the interest on the allocated revenue by years, from 1944 to date, and reducing interest expense by the total thus computed.

## APPENDIXES

## SOUTHWESTERN POWER SYSTEM AND RELATED ACTIVITIES

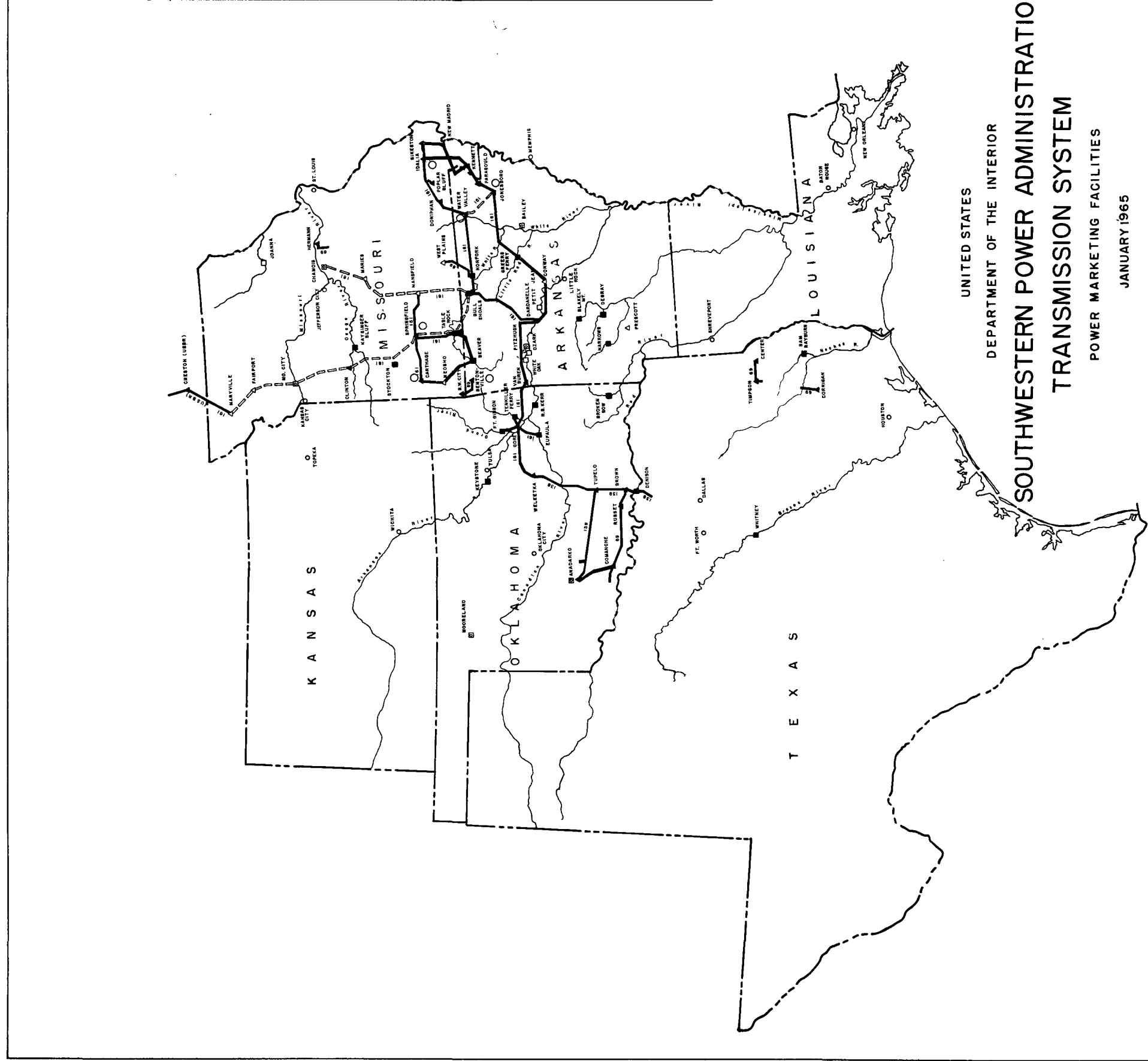
## SOURCE AND DISPOSITION OF ELECTRIC ENERGY

FOR FISCAL YEARS 1964 AND 1963

	<u>Fiscal year 1964</u>		<u>Fiscal year 1963</u>	
	<u>Kilowatt- hours (000 omitted)</u>	<u>Percent</u>	<u>Kilowatt- hours (000 omitted)</u>	<u>Percent</u>
SOURCE OF ENERGY:				
Corps projects:				
Bull Shoals	198,641	12.1	366,093	20.2
Denison	82,577	5.0	210,809	11.6
Fort Gibson	49,078	3.0	148,789	8.2
Greers Ferry (note a)	6,266	.4	-	-
Norfolk	126,518	7.7	95,056	5.3
Table Rock	122,498	7.5	248,130	13.7
Tenkiller Ferry	16,423	1.0	58,787	3.3
Narrows	17,007	1.0	16,080	.9
Blakely Mountain	54,426	3.3	83,400	4.6
Whitney	<u>24,477</u>	<u>1.5</u>	<u>80,306</u>	<u>4.4</u>
	697,911	42.5	1,307,450	72.2
Power purchased or ex- changed	<u>942,377</u>	<u>57.5</u>	<u>503,130</u>	<u>27.8</u>
	<u>1,640,288</u>	<u>100.0</u>	<u>1,810,580</u>	<u>100.0</u>
DISPOSITION OF ENERGY:				
Sales:				
REA cooperatives	787,818	48.0	855,361	47.2
Private utilities	541,881	33.0	617,527	34.1
Municipalities	209,831	12.8	200,123	11.1
Federal agencies	<u>84,383</u>	<u>5.2</u>	<u>76,701</u>	<u>4.2</u>
	1,623,913	99.0	1,749,712	96.6
Line losses, meter discrepancies and inadvertent flows	<u>16,375</u>	<u>1.0</u>	<u>60,868</u>	<u>3.4</u>
	<u>1,640,288</u>	<u>100.0</u>	<u>1,810,580</u>	<u>100.0</u>

<sup>a</sup>Greers Ferry did not become fully operational until the latter part of fiscal year 1964.

Note: At June 30, 1964, SWPA was operating 1,099 circuit miles of electric transmission lines, 16 substations, and 10 transmission switching stations.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
**SOUTHWESTERN POWER ADMINISTRATION**  
**TRANSMISSION SYSTEM**  
POWER MARKETING FACILITIES  
JANUARY 1965

RESERVOIR PROJECTS GENERATING PLANTS IN OPERATION (Corps of Engineers)			NAMEPLATE CAPACITY - KW
NAME OF PLANT	STATE		
NORFOLK	Arkansas		70,000
BULL SHOALS	Arkansas		340,000
GREENS FERRY	Arkansas		96,000
BLAKELY MOUNTAIN	Arkansas		75,000
NARROWS	Arkansas		17,000
TABLE ROCK	Missouri		200,000
DENISON	Texas		70,000
WHITNEY	Texas		30,000
FORT GIBSON	Oklahoma		45,000
TENKILLER FERRY	Oklahoma		34,000
EUFULA	Oklahoma		90,000
			TOTAL - 1,067,000

**G. & T. COOPERATIVE  
THERMAL GENERATING PLANTS**  
(Operation integrated with Government system)

RESERVOIR PROJECTS GENERATING PLANTS UNDER CONSTRUCTION (Corps of Engineers)			NAMEPLATE CAPACITY - KW
NAME OF PLANT	STATE	OWNER	
FITZ HUSH	Arkansas	ARKCO	57,000
BAILEY	Arkansas	ARKCO	117,000
CHAMOS	Missouri	Central	66,000
MISSOURI	Missouri	N.W.	40,000
ANADARKO	Oklahoma	W.F.E.C.	79,000
MOORELAND	Oklahoma	W.F.E.C.	55,000
			TOTAL - 414,000

**RESERVOIR PROJECTS  
GENERATING PLANTS  
UNDER CONSTRUCTION  
(Corps of Engineers)**

RESERVOIR PROJECTS GENERATING PLANTS UNDER CONSTRUCTION (Corps of Engineers)			NAMEPLATE CAPACITY - KW
NAME OF PLANT	STATE		
DARDANELLE	Arkansas		124,000
BEAVER	Arkansas		112,000
DE GRAY	Arkansas		66,000
NARROWS	Arkansas		8,600 *
STOCKTON	Missouri		45,200
KAYSINGER BLUFF	Missouri		76,500
SAM RAYBURN	Texas		52,000
KEYSTONE	Oklahoma		70,000
BROKEN BOW	Oklahoma		100,000
ROBERT S. KERR	Oklahoma		110,000
* Additional Unit			
			TOTAL - 764,200

**LEGEND**

**FACILITIES IN OPERATION**

Non Government Owned  
Government Owned

161 (KV)

161 (KV)

161 (KV)

**FACILITIES UNDER CONSTRUCTION  
(WORK IN PROGRESS - FY. 1965)**

Government Owned

161 (KV)

161 (KV)

161 (KV)

TRANSMISSION LINE

SUBSTATION

GENERATING PLANT (Corps of Engineers)

SUBSTATION ADDITIONS

SCALE: 1 inch = 50 miles, approximately

0 50 100 150

PRINCIPAL OFFICIALS OF THE  
DEPARTMENT OF THE ARMY  
AND THE DEPARTMENT OF THE INTERIOR  
RESPONSIBLE FOR THE ADMINISTRATION OF ACTIVITIES  
DISCUSSED IN THIS REPORT

		<u>Tenure of office</u>	
		<u>From</u>	<u>To</u>
<u>DEPARTMENT OF THE ARMY</u>			
SECRETARY OF THE ARMY:			
Cyrus R. Vance	July 1962	Jan. 1964	
Stephen Ailes	Jan. 1964	July 1965	
Stanley P. Resor	July 1965	Present	
CHIEF OF ENGINEERS:			
Lt. Gen. Walter K. Wilson, Jr.	May 1961	June 1965	
Lt. Gen. William F. Cassidy	July 1965	Present	
<u>DEPARTMENT OF THE INTERIOR</u>			
SECRETARY OF THE INTERIOR:			
Stewart L. Udall	Jan. 1961	Present	
ASSISTANT SECRETARY--WATER AND POWER DEVELOPMENT:			
Kenneth Holum	Jan. 1961	Present	
ADMINISTRATOR, SOUTHWESTERN POWER ADMINISTRATION:			
Douglas G. Wright	Oct. 1943	Present	